

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

INCOME TAX APPLICATION No 39 of 1997

For Approval and Signature:

Hon'ble MR.JUSTICE R.K.ABICHANDANI and
MR.JUSTICE A.R.DAVE

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1. Whether Reporters of Local Papers may be allowed to see the judgements?
2. To be referred to the Reporter or not?
3. Whether Their Lordships wish to see the fair copy of the judgement?
4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder?
5. Whether it is to be circulated to the Civil Judge?

M/S.HONEST TRADING CO.PVT.LTD.

Versus

COMMISSIONER OF INCOME-TAX

Appearance:

MR RK PATEL for Petitioner

MR MANISH R BHATT for Respondent

CORAM : MR.JUSTICE R.K.ABICHANDANI and
MR.JUSTICE A.R.DAVE

Date of decision: 24/12/97

ORAL JUDGEMENT (Per R.K. Abichandani, J.)

Heard both the sides. The following two questions of law arise from the order of the Tribunal.

"(1). Whether on the facts and circumstances of the case the Tribunal was justified in law in confirming the disallowance of Rs. 65961/- paid

to staff and workers in addition to Bonus paid to them under Payment of Bonus Act, 1965 ?

(2). Whether the Tribunal was justified in law in holding that the said payment were in the nature of Ex-gratia and were not "necessitated" by the business needs, the disallowance was justified accordingly ?"

The Tribunal is, therefore, directed to furnish statement of case in respect of the aforesaid questions under Section 256 (2) of the Income-tax Act, 1961, expeditiously. Rule is made absolute accordingly with no order as to costs.
